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12 August 1977

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MEMORANDUM FOR THE RECORD

(From



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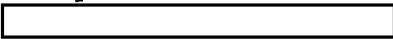
SUBJECT: Meeting with Chairman Daniel Inouye (D., Hawaii),
Senate Select Committee on Intelligence, re
DDO Personnel Position Cuts

19 AUG 1977

1. (U) Yesterday, Chairman Daniel K. Inouye (D., Hawaii) called and requested more details on the DDO position cuts, explaining that the Director had called him on the matter but he needed more information in order to be able to respond to questions he is receiving.

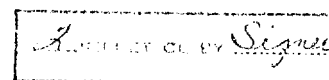
2. (U) On this date, at 3:00 p.m., John Blake, A/DCI, William Wells, DDO, and the undersigned met with Chairman Inouye, in his office, to respond to his questions. The following are the highlights of the session:

a. (U) Mr. Wells reviewed the history of the surplus problem in the DDO, its causes and effects;

b. (U) Chairman Inouye was interested in a number of specific areas such as percent of positions  to be cut, the total dollar savings and the impact on the CIARDS Retirement Fund;

c. (U) It was explained that only general information could be provided until the process of identifying positions, declaring personnel surplus to the DDO and to CIA, and a multitude of intervening personal decisions had run their course;

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d. (U) Mr. Blake explained that the Chairman was correct that the Committee had not been briefed on any such reduction. The decision was recent following several weeks of incubation between the Director and Mr. Wells;

25X1 e. (C) Chairman Inouye had heard a figure of some [] positions being involved and it was explained that indeed there was a different plan which had been recommended by Mr. Wells which involved numbers like that over a longer period of time;

25X1 f. (C) Mr. Blake responded that the position peak during the Vietnam era for the DDO was [] and that it would be reduced to [] under this program. Mr. Wells explained that his plan would have reduced the level to [] through FY 1984;

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25X1 g. (U) Mr. Wells responded that he thought that the DDO could handle its job at the reduced level;

h. (U) Mr. Wells explained that the DDO has already reduced significantly, is currently under-strength and emphasized that the planned reductions are for FY 1978 and 1979;

i. (U) Mr. Wells responded that attitudinal surveys had identified agreement among DDOers that there were too many people. Mr. Wells characterized the problem of simply having less to do at Headquarters than can keep the talent available effectively utilized and that there was some misfitting as well because of the drawback of specialists who were not able to handle Headquarters' jobs;

j. (C) Mr. Wells stressed that we were not losing the muscle of the officer corp, the case officer; that would be maintained and would serve as the cadre to be built upon if policymakers determined such courses of action are required in the future;

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k. (C) Mr. Wells dipped lightly into DDO reorganization plans on a country or regional basis with authority for dealing with overseas stations, reducing overhead staffs at Headquarters;

l. (C) It had earlier been explained that the surplus had been created essentially as a result of policymaker retrenchment for large covert action program cessations of large activities in Southeast Asia;

m. (U) Mr. Blake responded that morale has both its short-range and long-range aspects. Short-ranged perturbations are likely until the process of identifying surplus cases has been completed. (Mr. Wells explained this was one of the reasons Admiral Turner had compressed the time span to 26 months to shorten the period of unease.) Mr. Blake continued that overall this should lead to a very definite increase in morale because the resulting flow-through will enhance promotion opportunities and responsibilities for talented officers;

n. (C) The point was also made that a large number of those who may eventually leave the Agency will do so under an annuity; that it doesn't appear that there will be many pink slips in FY 78 principally because the DDO is under-strength at the present time; but there probably would be such actions in FY 79. In this respect, mention was made of the excellent outplacement service capability developed within the Agency in previous personnel reduction programs.

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*Not relevant -
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we take 1/2 of
total*

3. (U) The Chairman felt that the Committee should have a session with the Agency on the position reduction program in about a month. Mr. Wells suggested somewhere around 1 October when the surplus positions will be first identified and the Chairman said that would be fine and it could slip a few days either way to assure we were on top of the situation.

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4. (U) Other Areas: The Chairman, in a relaxed atmosphere, shared his views on how the Agency is viewed from the Hill and what the Hill needs from the Agency:

a. (C) His assessment was that the Agency was in great shape, but because of the country's needs and the needs of the Congress for information, it would be wise for the Agency to concentrate on political and economic intelligence;

b. (C) He talked about the possibility of channeling such information to other committees of the Congress through the Senate Select Committee, indicating that this is already being done somewhat, that the Congress is in desperate need of the type of information the Agency produces ([redacted])

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c. (U) We indicated that Admiral Turner was pushing very hard to get our product to the Hill but we had not always been able to get committees to pick us up on our offers. (From his remarks, it appears that Chairman Inouye does not realize the extent to which we provide substantive briefings to the Hill on many issues to a wide variety of committees and it might be helpful to provide him that information.);

d. (C) Chairman Inouye felt that next year we should provide semi-monthly substantive intelligence briefings to the Senate Select Committee covering region by region or topic by topic. It was suggested that perhaps the Select Committee could invite other Senators or committees to sit in if the briefings are limited to substantive intelligence information. Mr. Wells suggested consideration of including a collector on the briefing team, not to compete with the DDI and NIO analysts, but to deal with collection

yes

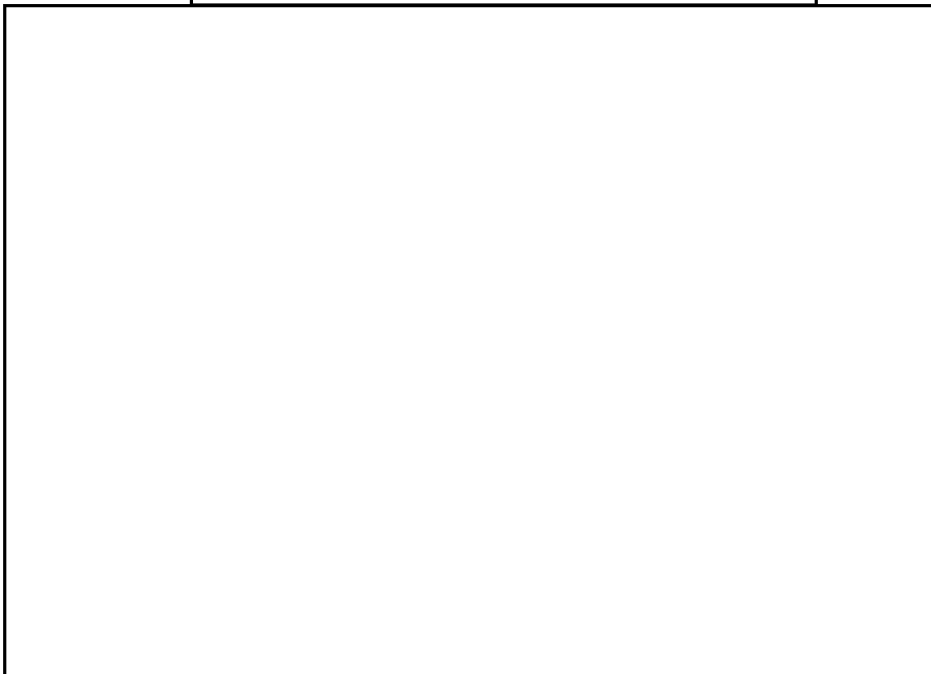
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problems.

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f. (U) Chairman Inouye said when he gives up his Chairmanship of the Select Committee next year, he would still retain a very active role as an ex officio member. He believes that Senator Birch Bayh (D., Ind.) is interested in succeeding him and Chairman Inouye intends to bring Senator Bayh out to the Agency in mid-September as part of what he hopes to be a smooth transition;

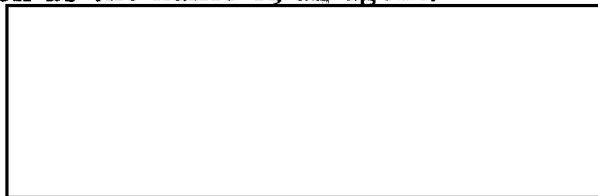
g. (U) Chairman Inouye felt that we had constructed a good, solid relationship, but the path of oversight has to be bumpy from time to time and the Committee is just in the initial phases of developing a full oversight capability. In this respect, he said while the Committee's responsibility is clear, we should be sure never to subordinate equally important responsibilities of the Agency, such as the protection of sensitive intelligence sources and methods in the face of an assertion by the Committee for the need of

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such information. He was optimistic that conflicts can be resolved for the most part if we effectively communicate with each other and agreed with Mr. Wells that the Committee seldom, if ever, would need such information as the name of an agent.



Acting Legislative Counsel

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